

THOMPSON, HINE AND FLORY

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WASHINGTON, D.C. 20036

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COLUMBUS, OHIO 43215
(614) 469-7200

IN PALM BEACH, FLORIDA
125 WORTH AVENUE
PALM BEACH, FLORIDA 33480
(407) 833-5900

IN WASHINGTON, D.C.
TELEPHONE
(202) 331-8800
TELEX 904173

July 13, 1988

1 5722
RECORDATION NO. _____ FILE NO. _____

JUL 13 1988-1 42 PM

INTERSTATE COMMERCE COMMISSION

Date _____
Fee \$ _____

ICC Washington, D.C.

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11303 and 49 C.F.R. § 1177 are the original and one certified true copy of a Hopper Car Lease entered into as of March 10, 1988 by and between ConAgra, Inc., a Delaware corporation, successor in interest to Peavey Company, and Cedar Valley Railroad Company, an Iowa corporation.

The enclosed document is a lease dated as of March 10, 1988 and is a primary document within the meaning of 49 C.F.R. § 1177.1(a).

The names and addresses and the parties to this document are:

Lessor: ConAgra, Inc.
(successor to Peavey Company)
730 Second Avenue South
Minneapolis, MN 55402

Lessee: Cedar Valley Railroad Company
223 Main Street
Osage, IA 50461

A description of the equipment covered by the document is as follows:

Covered hopper cars of 4750 cubic
foot capacity subject of lease
agreement filed under Recordation No.
10683-B.

A filing fee of \$13 is enclosed. Please return the original document to the bearer upon completion and recordation.

Mike Rowan
C. D. [Signature]

Ms. Noreta R. McGee
July 13, 1988
Page 2

A short summary of the document to appear in the index is as follows:

Hopper car lease between ConAgra, Inc., a Delaware corporation, successor to Peavey Company, as Lessor, and Cedar Valley Railroad Company, an Iowa corporation, as Lessee, dated as of March 10, 1988, and covering those covered hopper cars that are the subject of the lease agreement between MHC, Inc., ConAgra, Inc. as guarantor and Exchange National Bank of Chicago, dated as of May 1, 1979, and bearing Recordation No. 10683-B.

Very truly yours,



Peter A. Greene

PAG:11

Enclosure

1 5722
REGISTRATION NO. _____ FILE NO.

AFFIDAVIT

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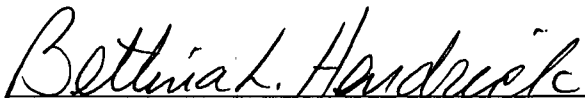
INTERSTATE COMMERCE COMMISSION

District of) ss.
Columbia)

Peter A. Greene, having been duly sworn, deposes and says that he has compared the attached copy of the Hopper Car Lease between ConAgra, Inc., a Delaware corporation, successor to Peavey Company, and Cedar Valley Railroad Company, an Iowa corporation, dated as of March 10, 1988, to the original document and found the copy to be complete and identical in all respects to the original document.


Peter A. Greene

Subscribed and sworn to before me, a notary public in and for the District of Columbia, this 13th day of July, 1988.


Notary Public

My Commission expires: My Commission Expires January 31, 1991.

[SEAL]

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HOPPER CAR LEASE

INTERSTATE COMMERCE COMMISSION

This Hopper Car Lease is entered into as of March 10, 1988 ("effective date") by and between ConAgra, Inc., a Delaware corporation ("Lessor") and Cedar Valley Railroad Company, an Iowa corporation ("Lessee").

WHEREAS, Lessor is the sole owner or Lessee of 200 covered hopper cars with an approximate capacity of 4,750 cubic feet described on Exhibit A hereto and by this reference incorporated herein ("equipment"); and

WHEREAS, some of the equipment is subject to a lease dated as of May 1, 1979 between MHC, Inc., ConAgra, Inc. and Exchange National Bank of Chicago, and filed with the ICC and bearing recordation number 10683-B; and

WHEREAS, Lessee desires to hire and lease the equipment from Lessor and Lessor desires to lease the equipment to Lessee upon the terms and conditions of this Lease.

NOW, THEREFORE, the parties agree as follows:

Lease of Equipment

Lessor hereby leases to Lessee and Lessee hereby hires and leases from Lessor the equipment upon the terms and conditions of this Lease.

Delivery, Acceptance and Return

Said equipment is to be or has been delivered to Lessee by Lessor at Osage, Iowa or such other point as has or may be mutually agreed upon between the parties and said rolling stock equipment shall be returned to Lessor at the termination of this Agreement at such place as shall be mutually agreed upon by the parties. In taking delivery, Lessee hereby accepts said rolling stock equipment in the condition in which delivered.

Rejection of Equipment

In the event any car delivered to Lessee is in less than good and satisfactory working condition, upon written notice of the same by Lessee to Lessor, Lessee may reject such car, and Lessor, at its option, shall promptly cause said car to be either restored, repaired, or replaced at Lessor's own expense. Rent shall not be paid for such a rejected car.

Rental Charge

Lessee shall pay to Lessor the sum of Four Hundred Fifty Dollars (\$450.00) per car per month payable thirty (30) days in advance. Rental shall be computed starting with the date of delivery of each unit of equipment to Lessee and ending upon the date on which each unit of equipment is returned.

Car Hire Earnings

Upon the delivery of the equipment as set forth herein, Lessee shall enjoy all car hire earnings (per diem and mileage) thereafter until the expiration or sooner termination of this lease.

Term

The term of this Lease shall be for a period of eighteen (18) months from the effective date.

Maintenance and Repairs

Lessee shall be responsible for all maintenance and repairs to the equipment. Upon termination of this Lease, Lessee shall deliver this equipment to Lessor in as good condition and repair as when delivered to it, ordinary wear and tear alone excepted. In the event any of said equipment is not returned in such condition, Lessor is hereby requested by Lessee to make necessary repairs thereto at the expense of said Lessee, which expense shall be paid by Lessee on demand and should any of said equipment be destroyed or for any other reason not be returned to Lessor, Lessee agrees to pay Lessor the casualty value of such equipment less the value of salvage, if any, recovered by Lessor. Casualty value is defined as the value shown on Lessor's schedule pursuant to its financing arrangements with its Bank.

Carryover Term

Unless either party gives thirty (30) days written notice prior to the termination date, the contract shall continue on a month to month basis terminable by either party with thirty (30) days written notice.

Taxes and Expenses

Lessee shall pay, before they become delinquent, any taxes levied because of the ownership or operation of the equipment. Lessee shall also be responsible for filing all necessary returns or reports for such taxes. Lessee is also responsible for any other expenses arising out of the ownership or operation of the equipment.

Insurance

Lessee shall maintain insurance as follows:

- (a) All risk insurance against loss or damage to any of the equipment.
- (b) Comprehensive general liability insurance including blanket contractual liability endorsement and completed operations endorsement against claims for bodily injury, death and property damage affording minimum single limit protection of Five Million Dollars (\$5,000,000.00) per occurrence.
- (c) Workers' Compensation Insurance as required by state or federal law.

Lessee shall furnish certificates of insurance upon request evidencing the coverages specified.

Rental Abatement for Damage or Destruction

In the event any car is totally damaged or destroyed, the rental payment with respect to such car shall be suspended from the date Lessor receives written notification until such car is repaired or replaced. In the event any car is damaged to the extent that it must be removed from service in order to make repairs, rental payments for such car shall be suspended from the date Lessor receives written notification until such car is repaired or replaced. Lessor's right to substitute a car shall be at Lessor's sole option; the rental payments for such substituted car shall commence upon acceptance of such substituted car by lessee.

Payments Received for Account of Other Party

In the event either party receives payments from a third party which should be paid to the other, such payments shall promptly be transmitted to the other.

Rights to Use of Units

The rights of the Lessee (Cedar Valley Railroad Company) under this Lease are subordinate and junior to the rights and remedies of Exchange National Bank of Chicago as Trustee under a Lease of Railroad Equipment between MHC, Inc., ConAgra, Inc. and Exchange National Bank of Chicago as Trustee dated May 1, 1979, and to the rights of LaSalle National Bank under the Conditional Sale Agreements referred to in the Lease dated as of May 1, 1979.

Hold Harmless

Lessee further agrees as part of the consideration of this Lease to forever indemnify and save harmless Lessor, its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly in connection with the use or handling of said equipment by Lessee, its employees, contractors, successors and assigns except that Lessor shall not be indemnified against its own sole negligence.

Assignment

Lessee may assign or sublet this Lease or any of said equipment or rights hereunder with the written consent of Lessor, which consent shall not be unreasonably withheld.

Markings

Lessee may use its own markings on the equipment, but must remove such markings prior to returning the equipment to Lessor.

Operation in Continental U.S. Only

The equipment shall not be operated outside the contiguous 48 states of the United States of America without the written consent of Lessor.

Compliance with Laws

Lessee shall at its own cost and expense comply with all laws, regulations and requirements with respect to the use, maintenance and operation of the equipment.

Inspection

Lessor shall have the right to inspect the equipment from time to time during the term of this Lease.

Default

Any failure or refusal of Lessee to properly and fully observe the terms, covenants and conditions herein contained, including the timely prepayment of rent, shall entitle Lessor to immediately terminate this Lease and resume absolute possession of said equipment wherever situated without legal demand, notice or proceeding and at the expense of Lessee, which expense, including a reasonable attorney fee (whether or not litigation occurs), shall be repaid by Lessee to Lessor on demand; a waiver of any default of Lessee hereunder shall not be taken to be a waiver of any other or subsequent default nor shall the

termination of this Lease for any reason whatsoever relieve or release the Lessee from any liability or obligation growing out of or connected with the leasing of said equipment.

Notices

Notices permitted or required by this Agreement shall be effective if transmitted by overnite mail, Federal Express or similar courier service, or by telex or fax if followed by mail or courier to:

Lessor
730 Second Avenue South
Minneapolis, MN 55402
Attn: C.O. Buirge

Lessee
223 Main Street
Osage, IA 50461
Attn: J.E. Haley

Authority of Signatories; Binding Effect

Each signatory to this Agreement warrants that he is authorized by his company to sign this Agreement, and that such Agreement is binding upon his principal. This Lease shall benefit and be binding upon the successors and assigns of the parties hereto.



Return of Original

The original of this Agreement should be returned to:

Lessor
730 Second Avenue South
Minneapolis, MN 55402
Attn: C.O. Buirge

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CONAGRA, INC.

BY: 
ITS: 

CEDAR VALLEY RAILROAD COMPANY

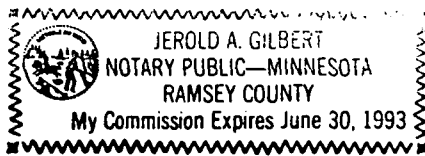
BY: FS
ITS: VP

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this, the 27th day of June, 1988, before me, the undersigned notary, personally appeared C.O. Buirge, who acknowledged himself to be the Vice President of Peavey Company, a division of CONAGRA, INC., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)



Jer A Gilbert
NOTARY PUBLIC

STATE OF Iowa)
) SS.
COUNTY OF Black Hawk)

On this, the 30th day of June, 1988, before me, the undersigned notary, personally appeared Frederick S. Tanner, who acknowledged himself to be the Vice President of CEDAR VALLEY RAILROAD COMPANY, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

Gregory A Buck
NOTARY PUBLIC

CONAGRA HOPPER CARS TRANSFERED TO CEDAR VALLEY RR.

EXHIBIT A

OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER
1 CAGX 103	CVAR 103	55 PVGX 1030	CVAR 1030
2 CAGX 131	CVAR 131	56 PVGX 1031	CVAR 1031
3 CAGX 148	CVAR 148	57 PVGX 1032	CVAR 1032
4 CAGX 164	CVAR 164	58 PVGX 1033	CVAR 1033
5 CAGX 210	CVAR 210	59 PVGX 1034	CVAR 1034
6 CAGX 221	CVAR 221	60 PVGX 1035	CVAR 1035
7 CAGX 228	CVAR 228	61 PVGX 1036	CVAR 1036
8 CAGX 234	CVAR 234	62 PVGX 1037	CVAR 1037
9 CAGX 238	CVAR 238	63 PVGX 1038	CVAR 1038
10 CAGX 250	CVAR 250	64 PVGX 1039	CVAR 1039
11 CAGX 252	CVAR 252	65 PVGX 1040	CVAR 1040
12 CAGX 253	CVAR 253	66 PVGX 1041	CVAR 1041
13 CAGX 261	CVAR 261	67 PVGX 1042	CVAR 1042
14 CAGX 263	CVAR 263	68 PVGX 1043	CVAR 1043
15 CAGX 270	CVAR 270	69 PVGX 1044	CVAR 1044
16 CAGX 512	CVAR 512	70 PVGX 1045	CVAR 1045
17 CAGX 564	CVAR 564	71 PVGX 1046	CVAR 1046
18 CAGX 745	CVAR 745	72 PVGX 1047	CVAR 1047
19 CAGX 779	CVAR 779	73 PVGX 1048	CVAR 1048
20 CAGX 789	CVAR 789	74 PVGX 1049	CVAR 1049
21 CAGX 886	CVAR 886	75 PVGX 1050	CVAR 1050
22 CAGX 891	CVAR 891	76 PVGX 1051	CVAR 1051
23 CAGX 957	CVAR 957	77 PVGX 1052	CVAR 1052
24 CAGX 225	CVAR 225	78 PVGX 1053	CVAR 1053
25 CAGX 233	CVAR 233	79 PVGX 1054	CVAR 1054
26 PVGX 1000	CVAR 1000	80 PVGX 1055	CVAR 1055
27 PVGX 1001	CVAR 1001	81 PVGX 1056	CVAR 1056
28 PVGX 1002	CVAR 1002	82 PVGX 1057	CVAR 1057
29 PVGX 1003	CVAR 1003	83 PVGX 1058	CVAR 1058
30 PVGX 1004	CVAR 1004	84 PVGX 1059	CVAR 1059
31 PVGX 1005	CVAR 1005	85 PVGX 1060	CVAR 1060
32 PVGX 1006	CVAR 1006	86 PVGX 1061	CVAR 1061
33 PVGX 1007	CVAR 1007	87 PVGX 1063	CVAR 1063
34 PVGX 1008	CVAR 1008	88 PVGX 1064	CVAR 1064
35 PVGX 1009	CVAR 1009	89 PVGX 1065	CVAR 1065
36 PVGX 1010	CVAR 1010	90 PVGX 1066	CVAR 1066
37 PVGX 1011	CVAR 1011	91 PVGX 1067	CVAR 1067
38 PVGX 1012	CVAR 1012	92 PVGX 1068	CVAR 1068
39 PVGX 1013	CVAR 1013	93 PVGX 1069	CVAR 1069
40 PVGX 1014	CVAR 1014	94 PVGX 1070	CVAR 1070
41 PVGX 1015	CVAR 1015	95 PVGX 1071	CVAR 1071
42 PVGX 1016	CVAR 1016	96 PVGX 1072	CVAR 1072
43 PVGX 1017	CVAR 1017	97 PVGX 1073	CVAR 1073
44 PVGX 1018	CVAR 1018	98 PVGX 1074	CVAR 1074
45 PVGX 1019	CVAR 1019	99 PVGX 1075	CVAR 1075
46 PVGX 1021	CVAR 1021	100 PVGX 1076	CVAR 1076
47 PVGX 1022	CVAR 1022	101 PVGX 1077	CVAR 1077
48 PVGX 1023	CVAR 1023	102 PVGX 1078	CVAR 1078
49 PVGX 1024	CVAR 1024	103 PVGX 1079	CVAR 1079
50 PVGX 1025	CVAR 1025	104 PVGX 1080	CVAR 1080
51 PVGX 1026	CVAR 1026	105 PVGX 1081	CVAR 1081
52 PVGX 1027	CVAR 1027	106 PVGX 1082	CVAR 1082
53 PVGX 1028	CVAR 1028	107 PVGX 1083	CVAR 1083
54 PVGX 1029	CVAR 1029	108 PVGX 1084	CVAR 1084

CONAGRA HOPPER CARS TRANSFERED TO CEDAR VALLEY RR.

OLD NUMBER			NEW NUMBER	OLD NUMBER		
109	PVGX	1085	CVAR	1085	165	PVGX 1145
110	PVGX	1086	CVAR	1086	166	PVGX 1146
111	PVGX	1087	CVAR	1087	167	PVGX 1147
112	PVGX	1088	CVAR	1088	168	PVGX 1148
113	PVGX	1089	CVAR	1089	169	PVGX 1150
114	PVGX	1090	CVAR	1090	170	PVGX 1151
115	PVGX	1091	CVAR	1091	171	PVGX 1152
116	PVGX	1092	CVAR	1092	172	PVGX 1153
117	PVGX	1094	CVAR	1094	173	PVGX 1155
118	PVGX	1095	CVAR	1095	174	PVGX 1156
119	PVGX	1096	CVAR	1096	175	PVGX 1157
120	PVGX	1097	CVAR	1097	176	PVGX 1159
121	PVGX	1098	CVAR	1098	177	PVGX 1160
122	PVGX	1099	CVAR	1099	178	PVGX 1161
123	PVGX	1100	CVAR	1100	179	PVGX 1162
124	PVGX	1101	CVAR	1101	180	PVGX 1163
125	PVGX	1102	CVAR	1102	181	PVGX 1164
126	PVGX	1104	CVAR	1104	182	PVGX 1165
127	PVGX	1106	CVAR	1106	183	PVGX 1166
128	PVGX	1107	CVAR	1107	184	PVGX 1167
129	PVGX	1108	CVAR	1108	185	PVGX 1169
130	PVGX	1109	CVAR	1109	186	PVGX 1170
131	PVGX	1110	CVAR	1110	187	PVGX 1171
132	PVGX	1111	CVAR	1111	188	PVGX 1172
133	PVGX	1112	CVAR	1112	189	PVGX 1173
134	PVGX	1113	CVAR	1113	190	PVGX 1174
135	PVGX	1114	CVAR	1114	191	PVGX 2078
136	PVGX	1115	CVAR	1115	192	PVGX 2080
137	PVGX	1116	CVAR	1116	193	PVGX 2083
138	PVGX	1117	CVAR	1117	194	PVGX 2085
139	PVGX	1118	CVAR	1118	195	PVGX 2086
140	PVGX	1119	CVAR	1119	196	PVGX 2089
141	PVGX	1121	CVAR	1121	197	PVGX 2105
142	PVGX	1122	CVAR	1122	198	PVGX 2110
143	PVGX	1123	CVAR	1123	199	PVGX 2123
144	PVGX	1124	CVAR	1124	200	PVGX 2124
147	PVGX	1127	CVAR	1127		
148	PVGX	1128	CVAR	1128		
149	PVGX	1129	CVAR	1129		
150	PVGX	1130	CVAR	1130		
151	PVGX	1131	CVAR	1131		
152	PVGX	1132	CVAR	1132		
153	PVGX	1133	CVAR	1133		
154	PVGX	1134	CVAR	1134		
155	PVGX	1135	CVAR	1135		
156	PVGX	1136	CVAR	1136		
157	PVGX	1137	CVAR	1137		
158	PVGX	1138	CVAR	1138		
159	PVGX	1139	CVAR	1139		
160	PVGX	1140	CVAR	1140		
161	PVGX	1141	CVAR	1141		
162	PVGX	1142	CVAR	1142		
163	PVGX	1143	CVAR	1143		
164	PVGX	1144	CVAR	1144		